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17 Jan 73

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MEMORANDUM FOR: Assistant Deputy Director for Plans

VIA : [REDACTED]

SUBJECT : Project [REDACTED] Amendment No. 1
for FY 1972 and Renewal for FY 1973

1. The [REDACTED] Project provides financial support to the Chilean National Party (PN), a conservative party strongly opposed to the Marxist Popular Unity (UP) government of President Salvador Allende. This support is designed to increase the PN's effectiveness in opposing government efforts to impose a totalitarian regime in Chile and to help the PN improve its electoral appeal as part of the opposition confederation (CODE) in the 4 March 1973 congressional elections. With the exception of the [REDACTED]

[REDACTED] all funds passed to the PN during FY 1972 and requested for FY 1973 were approved for this purpose by the 40 Committee.

2. A detailed description of project objectives and activities was set forth in the FY 1972 [REDACTED], which was written in February 1972. There have been no changes [REDACTED]

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3. Accomplishments during FY 1972 were described in detail in regular progress reports submitted to the 40 Committee. The anti-government position of the PN has been the strongest and most consistent of all opposition parties, and the PN is believed to have increased its membership and electoral strength because of its vigorous and clearly defined ideology, which emphasizes the party's anti-Communism and its doctrinaire differences with the UP program. The PN has demonstrated considerable strength in a number of key elections, and has worked effectively with other opposition parties and with private sector organizations to mount a series of successful anti-government strikes, demonstrations and work stoppages.

4. Funds provided to the PN have been used both to build party organizational strength and to support party media, [REDACTED]

[REDACTED] The PN has been particularly effective in the media field. [REDACTED]

[REDACTED] The PN has also been successful in organizing and training activist groups in various sectors (campesino, youth, slumdwellers, professional groups, women) but still needs to modernize and streamline its organizational structure, eliminating the personalism which makes centralized direction difficult. [REDACTED]

5. [REDACTED]

6. The [REDACTED] Project was renewed for [REDACTED] for FY 1972. It is requested that Amendment No. 1 be approved for [REDACTED] the amount authorized by the 40 Committee on 16 June 1972 for the Coquimbo by-election, which was held on 16 July 1972. This [REDACTED] which was made available from within the Clandestine Service budget, brings the total project cost for FY 1972 to \$336,225. ✓

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7. After 1 November 1972 project activities will be focused on the 4 March 1973 congressional elections, which will provide a concrete reading of public sentiment for or against the Allende government at its mid-term point. The 40 Committee has approved [REDACTED] for the PN's electoral campaign, [REDACTED]

[REDACTED] The approved budget includes [REDACTED] for post-electoral subsidy support of the party during the months of March and April 1973, during which period election results will be assessed and a future course of action will be determined. In addition to this [REDACTED] which will be made available from the [REDACTED]

[REDACTED] This [REDACTED] is available from funds included for the project in the WH Division's Operational Program for FY 1973. It is requested that Project [REDACTED] be renewed for FY 1973 for [REDACTED] the amount authorized by the 40 Committee [REDACTED]

8. Ambassador Davis has concurred in all proposals presented to the 40 Committee, and is kept fully informed of all project activities. [REDACTED]

[REDACTED] Copies of pertinent 40 Committee memoranda are attached.

9. Because of the sensitivity of Agency involvement in electoral activities in Chile, it is requested that normal staff review of this project amendment and renewal be waived and that it be presented directly to the ADDP.

[REDACTED]
Chief
Western Hemisphere Division

Attachments

APPROVED:

[REDACTED]
Assistant Deputy Director for Plans

17 Jun 73
Date

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